



INSIGNIA

PRESS RELEASE

INSIGNIA ENERGY LTD. COMMENCES TRADING AFTER COMPLETING ARRANGEMENT

August 8, 2008, Calgary, Alberta – Insignia Energy Ltd. ("**Insignia**") (TSXV: ISN) is pleased to announce that the trading of its common shares on the TSX Venture Exchange under the symbol "ISN" has commenced after the previously announced completion of the plan of arrangement (the "**Arrangement**") whereby Insignia acquired substantially all of the assets of a private oil and gas company and was recapitalized.

After completing the Arrangement, Insignia has:

- An experienced management team consisting of Jeff Newcommon, President and Chief Executive Officer, Glen Fischer, Chief Operating Officer, Steven J. Mackay, Vice President Exploration and Brenda Hughes, Interim Chief Financial Officer and a strong Board consisting of David Ambedian, Sandra S. Cowan, Jeffery E. Errico, Christopher P. Slubicki, Jeff Newcommon, Jim Reid and Brian Baker;
- Estimated production of approximately 850 – 900 BOE/d (80% weighted to natural gas);
- Positive working capital of approximately \$55 million assuming \$25 million of shares in connection with the Tricap Partners Ltd. ("**Tricap**") equity line are issued;
- An undeveloped land base of approximately 145,000 net acres;
- A 15% working interest in the recently announced Crossfire discovery well at 9-1-50-6W4;
- A diverse portfolio of medium to low risk drilling and completion opportunities and facility enhancement opportunities designed to improve efficiencies at the operating cost level;
- Tax pool balances of approximately \$60 million;
- A production base that is approximately 80% operated; and
- A strong financial partner in Tricap.

Shareholders are reminded that they have until 4:30 p.m. (Calgary time) on September 4, 2008 to exercise their share purchase warrants issued in connection with the Arrangement. Each warrant entitles the holder to acquire one common share at a price of \$6.80 per share prior to 4:30 p.m. (Calgary time) on September 4, 2008.

About Insignia

Insignia is a Calgary-based oil and natural gas company engaged in the exploration for and the acquisition, development and production of natural gas and crude oil in western Canada. Insignia's common shares trade on the TSX Venture Exchange under the symbol "ISN".

Cautionary Statements

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this press release are derived by converting gas to oil according to this 6 Mcf to 1 Bbl ratio.

Certain information set forth in this press release, including without limitation anticipated operating cost efficiencies, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Insignia's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Insignia Ltd's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statement will transpire or occur, or if any of them do so, what benefits that work and the combined company will derive therefrom. Insignia disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

For further information:

Insignia Energy Ltd.
Jeff Newcommon, President and CEO
Telephone (403) 536-8138

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.